

# The Influence of Taxpayer Awareness and Tax Sanctions on Compliance in Paying Land and Building Tax P-2

(Case Study of Pondok Melati Sub-District, Bekasi City)

Chresensia Oppon Natasya Damanik<sup>1\*</sup>, Juaniva Sidharta<sup>2</sup>

<sup>1,2</sup> Universitas Kristen Indonesia, Indonesia

E-mail: [chresensiad@gmail.com](mailto:chresensiad@gmail.com)<sup>1</sup>, [juaniva.sidharta@uki.ac.id](mailto:juaniva.sidharta@uki.ac.id)<sup>2</sup>

Address: Jl. Mayor Jendral Sutoyo No.2, Cawang, Jakarta 13630

\* Author's correspondence: [chresensiad@gmail.com](mailto:chresensiad@gmail.com)

**Abstract** : After Law Number 28 of 2009 pertaining to Regional Taxes and Regional Retributions was passed, the local administration is now able to collect local taxes in accordance with the plan. Finding out how taxpayer information and The purpose of this study is to determine how tax fines affect Pondok Melati District's adherence to land and construction tax payments. A review of the literature is utilized as evidence. This study employs quantitative methodologies, mostly through data collection via questionnaires. Multiple linear regression analysis is used to evaluate the data in this study. The study's findings indicate that while both elements have favorable and substantial effects at the same time, unpaid knowledge and tax sanctions have a partial and relatively high impact in Pondok Melati District for land and construction tax compliance.

**Keywords:** taxpayers, awareness, sanctions, compliance

## 1. INTRODUCTION

Tax is a fiscal policy instrument used by the government to raise funds from the public to finance socially beneficial programs. The primary source of funding for infrastructure development, public services, and other significant projects is tax money. According to current tax rules, taxes are necessary payments that people, businesses, and other entities must make to the government. These payments are levied on various assets, transactions, income, and economic activities. Efficient administration, adequate funding, and implementation of development in various areas of life are important to achieve the welfare of all Indonesian people. One kind of central tax that is imposed in different places (PBB). Ever since Law No. 28/2009 was passed, Rural and Urban PBB (PBB P-2) has become a local tax, which aims to increase local revenue. Tax compliance is one way to increase land and building tax revenue, although it can have an unfavorable impact that reduces tax efficiency. Every nation with a tax system has to deal with this issue.

As one of Jakarta's satellite cities, Bekasi City is experiencing rapid demographic and economic growth. Taxpayer compliance is still low, nevertheless, particularly when it comes to PBB (land and building tax) payments. In 2020, the compliance rate for PBB payments in Bekasi City reached 88.75 percent, but varied across sub-districts. West Bekasi sub-district has the highest compliance rate (96%), while South Bekasi sub-district has the lowest compliance rate (50 percent). Data from the Bekasi City Regional Revenue Agency shows that only around

60% of taxpayers will pay PBB on time by 2023. This low compliance is a cause for concern as revenue from PBB is the main source of funding for development and public services in Bekasi City.

The Bekasi City Government increased the PBB-P2 collection target by 11.06% in 2023 compared to the previous year, in an effort to increase Local Own Revenue and support infrastructure development and public services. The revenue target from PBB-P2 was again significantly raised to Rp750 billion in 2024, up 21.04% from the target of Rp620 billion in 2023. This increase reflects the Bekasi City government's commitment to optimize local tax revenue through improving taxpayer compliance and optimizing the tax collection system.

The degree to which taxpayers adhere to their tax-related duties such as collecting, reporting, and paying taxes in line with relevant laws and regulations is known as tax compliance. A number of factors, including taxpayer awareness and the efficiency of the tax system, affect taxpayer compliance, punishments and rewards, as well as additional economic considerations. Understanding the need to pay taxes on land and building ownership is known as taxpayer awareness. Although the due date for payment is stated in the Tax Notice Payable (SPPT), many taxpayers are negligent or delay the payment of PBB, thus hampering tax collection.

Previous research on the relationship between taxpayer awareness and tax compliance has produced contradictory results. Although some studies suggest that taxpayer knowledge has no appreciable impact on compliance, other studies reveal that tax awareness positively affects compliance. In addition, Taxpayer compliance may also be impacted by the caliber of tax officer services and tax penalties. The goal of tax penalties is to stop people from breaking the law.

## **2. THEORETICAL REVIEW**

### **Compliance Theory**

Milgram's (1963) compliance theory explains that individuals comply with applicable directives or regulations. Handke & Barthauer (Indrayani et al., 2020) state that compliance includes obedience to running laws or rules. In taxation, compliance is divided into:

1. Formal compliance - fulfillment of tax obligations according to administrative rules.
2. Respect for the letter and spirit of tax law is known as material compliance.

Tax compliance is defined as the observance of relevant laws, influenced by two main elements:

1. External impact: Individual reactions to the environment and inner desires that shape behavior.
2. External factors: Circumstances outside the self that can influence attitudes and behaviors.

### **Land and Building Tax (PBB)**

PBB is levied on buildings and properties based on the socioeconomic status or income of the owner. PBB is a material tax, where the tax liability is determined by the condition of the object, not the subject. The legal basis of PBB is found in Article 33 paragraph (3) of the 1945 Constitution and Article 23 paragraph (2). This mandates that taxes must be law-based for state purposes. Law No. 12 of 1985, which was amended by Law No. 12 of 1994, governs PBB. The four main concepts in the application of PBB are:

1. Simple: Easy to understand and use.
2. Fair: Ensure horizontal and vertical fairness according to the capacity of the taxpayer.
3. Legal certainty: Has a strong legal basis from government regulations.
4. Cooperation: Encourages community participation in the enforcement of PBB laws.

PBB is imposed on buildings and property, except for land used for mining, forestry, or plantations. The objectives of implementing PBB include:

1. Simplifying taxation regulations.
2. Establish a strong legal foundation for property tax collection.
3. Provide legal clarity to the public on their responsibilities and rights.
4. Provides local revenue for growth and autonomy.
5. Increase local revenue.

The reasons for the collection of PBB include the numerous colonial laws that contradict the Pancasila ideals, public confusion due to the many tax regulations, and difficulties in understanding the laws written in Dutch and their revisions in Indonesian.

### **Object of PBB**

PBB includes both rural and urban property and structures that are owned, operated, or used by individuals or groups, with the exception of forestry, plantation, and mining properties. Land includes the surface of the earth and its contents, while buildings include permanent structures on land or water, such as toll roads, sports facilities, and other infrastructure. Central and local government assets used for public functions, such as social services and education, are exempt from PBB.

## **PBB Subject**

PBB subject is an individual or organization that owns, controls, or receives benefits from land or buildings. Taxpayers are individuals who are obliged to pay PBB. PBB is applied to properties and structures that belong to or are utilized by people or organizations, except for forestry, mining, and agriculture. However, a person or organization that meets the objective requirements (owns a PBB tax object) is considered a taxpayer. PBB is objective, so people domiciled abroad can also be tax subjects or taxpayers.

## **PBB-P2 Collection**

PBB collection involves procedures such as giving warnings, simultaneous billing, notification of forced letters, prevention, hostage taking, and sale of confiscated goods. In PBB collection, there are documents such as SPPT, SKPD, STPD, Correction Decree, Objection Decree, and Appeal Decision.

## **PBB-P2 Mechanism**

PBB-P2 is assessed annually in accordance with the tax object's status on January 1. The Tax Object Notification Letter (SPOP) is used to register the PBB object and must be filled out completely and accurately within 30 working days after it is received by the tax subject. After that, the SPOP must be signed and submitted to the regional head at the regional office.

## **Taxpayer Awareness**

Understanding, knowledge, and awareness of taxpayers is the ability to fulfill tax obligations, including knowing the type of tax to be paid, how to calculate, payment deadlines, and rights and obligations as taxpayers. This consciousness also encompasses a mindset of compliance with tax laws. The likelihood of tax infractions can be decreased by raising taxpayer awareness. People need to understand their responsibilities as citizens who recognize the 1945 Constitution. According to Racman & Ngadiman (2020), behavior towards tax objects is influenced by opinions, feelings, and awareness that encourage action as expected. Taxpayers' understanding of tax reporting reflects the motivation to comply with tax regulations. According to Hartini (2018), several ways to increase awareness in paying taxes include:

1. Taxpayers are aware of the significance of taxes and how they contribute to the advancement of the country.

2. Knowledge of the impact of payment delays: Taxpayers understand that delaying payment will harm the country.
3. Awareness of legal obligations: Taxpayers understand that paying taxes is an obligation regulated by law.

Tjiptohadi (2015) adds that taxpayers benefit from land and building ownership, so they are obliged to pay PBB as a contribution to regional development.

### **Tax Sanctions**

Tax sanctions aim to enforce taxpayer compliance with tax regulations. Sanctions can be classified as either administrative or criminal. disciplinary actions, like interest, fines, or tax increases, are imposed for violations of tax regulations. Criminal sanctions are applied to violations of tax law, such as negligence in tax payments that harm the state. The time limit for prosecuting tax offenses is 10 years after the due date or end of the tax period.

### **Taxpayer Compliance**

Compliance refers to the willingness of individuals or entities to abide with relevant rules and regulations. In the context of taxation, tax compliance means that individuals are willing and able to pay taxes according to the stipulated provisions. Taxpayers are considered compliant if they pay their taxes in compliance with the relevant laws. Decree No. 554/KMK.04/2000, issued by the Minister of Finance, governs taxpayer compliance, which requires taxpayers to take certain actions to fulfill tax obligations. Compliance criteria include:

1. Submitting tax reports on time for the last two years.
2. Having no tax debts without permission for installments.
3. Have not received any convictions related to criminal offenses during the past ten years.
4. Discrepancies found in the audit are no more than 5% of each tax category.
5. Received a fair opinion from a public accountant regarding financial records in the last two years.

According to the legislation, taxes are a significant contribution that people and companies make to the state, and the proceeds are used for the benefit of society. According to Law No. 28 of 2007, the taxpayer's obligation to pay taxes must be carried out without delay, and this compliance includes the return of tax returns as well as the calculation of tax arrears. The more compliant people are in paying taxes, The more money the state receives from taxes.

### **3. RESEARCH METHODS**

This study was carried out in the Pondok Melati Subdistrict, Bekasi City. In this study, researchers used a population of all people in Pondok Melati Subdistrict who have income. The population used was 40,592 taxpayers in Pondok Melati District, Bekasi City. Samples were taken to ensure representation of population characteristics and behavior, so that the research results could be generalized. The method used was cluster sampling, where samples were selected from each group or location, with residents of Pondok Melati Subdistrict as research respondents.

Primary data types and a quantitative technique are used in this investigation. Information gathered by intentionally distributing surveys to responders and focused on filling out questionnaires to provide accurate and reliable information. The approach applied in data analysis includes descriptive statistics which aims to describe the features of the information gathered from the research sample.

In analyzing the data, Multiple regression analysis, determination coefficient testing, instrument validity testing, and descriptive statistical analysis are all used in this work, hypothesis testing, and the traditional assumption test. This process aims to gain deeper insights from the available data. As a result, the analysis's findings can help make decisions that are supported by reliable data and evidence. The following theory underlies this study:

H1 : WP knowledge has an affect on compliance in paying PBB

H2 : Tax penalties have an impact on PBB payment compliance.

H3 : Compliance in paying PBB is impacted simultaneously by WP knowledge and tax penalties.

### **4. RESULTS AND DISCUSSION**

#### **Normality Test Results**

To ascertain whether the information gathered appropriately depicts a population that is regularly distributed, a normality test was used. The K-S statistic was used in this test. The following results are shown by the normality test:

**Table 1. Normality Test Results**

Asymp, Sig (2-Tailed)	Description
0.200	Normal

Source: SPSS 26 output results

The Kolmogorov-Smirnov (K-S) test findings from the SPSS normalcy test serve as the foundation for Nilai Asymp. The two-sided sig value is spelled out 0.200 found  $> 0.05$ . Based on the K-S normality test decision-making criteria, the information in the following study was found to be normally distributed. This outcome shows that the regression model's normality assumption or condition has been satisfied. These findings are supported by the residual normality analysis performed by comparing the histogram graph between the observed data and the normal distribution.

### **Multicollinearity Test**

The presence or absence of multicollinearity was assessed using the Variance Inflation Factor (VIF) and tolerance values. The multicollinearity test is used to ascertain the relationship between the independent variables in the regression model, and if the tolerance value is greater than 0.10 and the VIF is less than 10, multicollinearity is considered to be absent.

**Table 2. Multicollinearity Test Results**

Variable	Tolerance	VIF	Description
Perception	0,835	1,198	No multicollinearity
Knowledge of Taxation	0,835	1,198	There is no multicollinearity

Sumber: Hasil Output SPSS 26

The SPSS results of the multicollinearity test analysis above show this, as the tolerance value and the equivalent VIF value for the tax sanction variable and taxpayer awareness are 1.198 and 0.835, respectively. The VIF score of  $1.198 < 10.00$  and the tolerance value of  $0.835 > 0.10$ . implies that multicollinearity symptoms have no effect on the regression model.

### **Hypothesis Test Results**

#### **Partial Test (t test)**

Efforts to determine whether taxpayer awareness and tax sanctions affect taxpayer compliance, partial tests (t-tests) are used.  $H_a$  will be accepted and  $H_o$  is rejected, if the significance value is less than 0.05 then the independent and dependent variables have a partial relationship.

**Table 3. Partial Test (t-test)**

Coefficients <sup>a</sup>					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	19,702	2,715		7,256	,000
wp awareness	,093	,082	,088	1,140	,256
Tax Penalties	,337	,078	,333	4,315	,000

a. Dependent Variable: Compliance in Paying PBB

**Source: SPSS Output Results**

From table 3 it shows the results of the t-test are:

- Since  $X_1$  has a significance value of 0.256, the t value for  $X_1$  is  $0.256 > 0.05$ , or t count > t table, which indicates that taxpayer awareness has little influence on tax compliance.
- 0.000 is the significance value of t for  $X_2$ . Tax penalties significantly affect tax compliance, as evidenced by the fact that t count > t table or  $0.000 < 0.05$ .

#### **Simultaneous Test (F test)**

To find out if every independent variable in the regression model has an impact on the dependent variable at the same time, use the F test. Below is a list of the analysis's results using SPSS software and the F statistical test.

**Table 4. Simultaneous Test (F test)**

ANOVA						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	165,117	2	82,559	14,330	,000b
	Residual	990,963	172	5,761		
	Total	1156,080	174			

a. Dependent Variable: Compliance in Paying PBB  
b. Predictors: (Constant), Tax Sanctions, Taxpayer Awareness

Source: SPSS Output Results

According to the above table, F has a 0.000 significance level. In accordance with the testing conditions, the hypothesis is accepted. The independent elements of criminal penalties can be determined if the Sig value (probability value) is less than 0.05 and tax awareness significantly affect the dependent variable of taxpayer compliance.



### Results of the Determination Coefficient ( $R^2$ )

The coefficient of determination ( $R^2$ ) shows how well the regression model explains the variation of the dependent variable. The relationship between tax penalties, tax compliance, and taxpayer awareness is described by the  $R^2$  value. The results of the coefficient of determination are as follows:

**Table 5. Test Results of the Coefficient of Determination ( $R^2$ )**

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,378a	,143	,133	2,400

a. Predictors: (Constant), Tax Sanctions

Source: SPSS Output Results

The adjusted R square value is obtained from the coefficient of determination value, which is 14.3% or 0.143. The following demonstrates that the taxpayer comprehension and tax punishments factors account for 14.3% of the variance in the tax compliance variable. In the meantime, other factors not covered in the study have an impact on the remaining 85.7%.

### Discussion

#### The Impact of Taxpayer Awareness on Compliance in Paying Land and Building Tax in Pondok Melati District

According to the study's findings, taxpayer knowledge affects Pondok Melati District's land and building tax compliance. This is supported by the significance value of  $X_1$  of 0.256. For  $X_1$ , the t value is  $0.256 > 0.05$ , which means  $> 0.05$ . This conclusion confirms that awareness is important in understanding the situation and making the right choice in this situation, paying taxes. Pondok Melati District Community Because of their strong understanding of taxes, They often make Land and Building Tax payments on time. This demonstrates their knowledge of tax laws and the importance of paying taxes on time. These results support previous studies by Sutarjo and Effendi (2020), which also found a favorable correlation and It is critical to distinguish between taxpayer understanding and compliance.

### **The Impact of Tax Sanctions on Pondok Melati District Land and Building Tax Compliance**

The study's findings on tax penalties indicate that they significantly affect Land and Building Taxpayers' (PBB) compliance. The significant value of  $X_2$  of 0.000, which is less than 0.05, supports this. This finding shows that taxpayer compliance in Pondok Melati District in paying PBB increases when the sanctions applied have serious consequences.

This finding is in line with the compliance theory which states that the people of Pondok Melati District have complied with all applicable legal regulations by fulfilling their obligations in paying PBB (Handke & Barthauer in Indrayani, et al., 2020). The notion that tax penalties have a major and favorable influence on individual taxpayer compliance in paying PBB is further supported by research by Anggini (2020). Fear of the consequences of sanctions encourages taxpayers to report and pay taxes on time. This result is in line with earlier study, such as that conducted by Putra Wijaya (2022), which shows how tax sanctions can increase taxpayer compliance.

### **The Impact of Tax Sanctions and Taxpayer Awareness on Land and Building Tax Compliance in Pondok Melati District**

This study shows that taxpayer compliance in Pondok Melati District is significantly and positively influenced by tax sanctions and taxpayer knowledge. This is supported by the F test findings, which show a significance value of 0.000. A significant value of F smaller than 0.05 suggests that taxpayer compliance is impacted by tax knowledge and penalties. Thus, the more knowledge about taxes that are owned, Additionally, the degree of taxpayer compliance will rise.

Improving taxpayer compliance is an individual responsibility, and paying taxes honestly, on time, and without coercion is the way to achieve it. To improve tax compliance in Pondok Melati District, the local government and related institutions continue to disseminate information regarding tax regulations and assign tax auditors to carry out supervision. This result is consistent with Sutarjo and Effendi's (2020) research, which similarly revealed that taxpayer comprehension and tax penalties have a favorable and significant impact on compliance.

## 5. CONCLUSION

According to the investigation, compliance with paying Land and Building Tax (PBB) was not significantly impacted by taxpayer awareness (WP) in Pondok Melati District (significance value  $0.256 > 0.05$ ). On the other hand, tax sanctions significantly increased taxpayer compliance (significance value  $0.000 < 0.05$ ), indicating the effectiveness of the application of tax fines. Furthermore, the F test results showed that taxpayer compliance in paying PBB was positively and significantly impacted by the combination of taxpayer knowledge and tax penalties.

## REFERENCE LIST

- (Pengaruh kesadaran wajib pajak terhadap kepatuhan wajib pajak bumi dan bangunan di Kota Jakarta). (n.d.).
- Donofan, I., & Afriyenti, M. (n.d.). Pengaruh kesadaran wajib pajak, kualitas pelayanan dan tingkat penghasilan terhadap kepatuhan pembayaran pajak bumi bangunan.
- Febrian, W. D., Ristiliana, & Permatasari, R. (n.d.). Pengaruh pengetahuan dan kesadaran wajib pajak terhadap kepatuhan wajib pajak dalam membayar pajak bumi dan bangunan (PBB) pada kantor Badan Pendapatan Daerah Kota Pekanbaru.
- Hartini, S. (n.d.). Pengaruh kesadaran wajib pajak dan pengetahuan perpajakan terhadap kepatuhan membayar pajak bumi dan bangunan Desa Kaladawa Kecamatan Talang Kabupaten Tegal.
- Hasanudin, A. I., Ramdhani, D., & Giyantoro, M. D. B. (2020). Kepatuhan wajib pajak online shopping di Jakarta: Urgensi antara e-commerce. Kementerian Komunikasi dan Informatika. <https://kominfo.go.id/>
- Herlyastuti, N. (n.d.). Pengaruh kesadaran wajib pajak, pengetahuan perpajakan dan sanksi perpajakan terhadap kepatuhan wajib pajak dalam membayar pajak bumi dan bangunan di Kota Malang.
- Hidayat, F., Lasmini, L., & Septiawati, R. (n.d.). Pengaruh kesadaran wajib pajak, sanksi perpajakan dan sosialisasi perpajakan terhadap kepatuhan membayar pajak bumi dan bangunan di Kecamatan Telukjambe Timur.
- HS, S. (n.d.). Pengaruh pengetahuan perpajakan terhadap kepatuhan wajib pajak dalam membayar pajak bumi dan bangunan (PBB) dengan kesadaran wajib pajak sebagai variabel moderating.
- Indriyasari, W. V., & Maryono, M. (2022). Pengaruh pendapatan masyarakat, tingkat pendidikan, dan pengetahuan perpajakan terhadap kepatuhan wajib pajak membayar pajak bumi dan bangunan di Desa Gebugan, Kecamatan Bergas, Kabupaten Semarang. *Owner*, 6(1), 860–871. <https://doi.org/10.33395/owner.v6i1.668>

- Kartikasari, N. L. G. S., & Yadnyana, I. K. (2020). Pengetahuan perpajakan, sanksi pajak, kesadaran wajib pajak dan kepatuhan WPOP sektor UMKM. *E-Jurnal Akuntansi*, 31(4). <https://doi.org/10.24843/eja.2021.v31.i04.p10>
- Kusnanto. (2019). *Belajar Pajak*. Semarang: Penerbit Mutiara Aksara.
- Lydiana. (n.d.). Pengaruh kesadaran wajib pajak, pengetahuan pajak, dan sanksi pajak terhadap kepatuhan wajib pajak orang pribadi di KPP Pratama Surabaya Gubeng.
- Manajemen, J., Pendidikan, I., & Wajib Pajak, K. (n.d.). Pengaruh kesadaran wajib pajak, sanksi perpajakan, dan kualitas pelayanan perpajakan terhadap kepatuhan wajib pajak dalam membayar pajak bumi dan bangunan. *Manazhim*, 4(1). <https://ejournal.stitpn.ac.id/index.php/manazhim>
- Patriandari, & Amalia, H. (n.d.). Pengaruh pengetahuan perpajakan, kesadaran wajib pajak dan sanksi perpajakan terhadap kepatuhan wajib PBB-P2 pada BAPENDA Jakarta Timur tahun 2020.
- Rachman, A., & Ngadiman. (n.d.). Analisis efektivitas kebijakan pajak, lingkungan wajib pajak dan kesadaran wajib pajak terhadap kegiatan transaksi e-commerce.
- Rohmah, A. P. N., & Zulaikha. (n.d.). Pengaruh pengetahuan pajak, sanksi perpajakan, kesadaran wajib pajak, dan kualitas pelayanan terhadap kepatuhan wajib pajak PBB-P2 (Studi kasus Desa Baturetno, Kecamatan Baturetno, Kabupaten Wonogiri).
- Salmah, S. (n.d.). Pengaruh pengetahuan dan kesadaran wajib pajak terhadap kepatuhan wajib pajak dalam membayar pajak bumi dan bangunan (PBB).
- Sinaga, D., & Waty, L. (n.d.). Pengaruh kesadaran wajib pajak dan pengetahuan pajak bumi dan bangunan terhadap kepatuhan masyarakat dalam membayar pajak bumi dan bangunan di Desa Sei Apung.
- Sugiyono. (2019). *Metode penelitian kuantitatif, kualitatif, dan R&D* (Sutopo, Ed.). Bandung: Alfabeta.
- Sutarjo. (n.d.). Pengaruh kesadaran wajib pajak dan pengetahuan perpajakan terhadap kepatuhan wajib pajak bumi dan bangunan Kota Batam.
- Undang-Undang Republik Indonesia Nomor 28 Tahun 2007 tentang Ketentuan Umum dan Tata Cara Perpajakan.
- Wujarso, R., Saprudin, & Napitupulu, R. D. (n.d.). Pengaruh pengetahuan perpajakan dan sanksi pajak terhadap kepatuhan wajib pajak UMKM di Jakarta.
- Wulandari, R. (n.d.). Pengaruh kesadaran wajib pajak, kualitas pelayanan, pengetahuan perpajakan dan sanksi perpajakan terhadap kepatuhan wajib pajak PBB-P2 di Kabupaten Rembang. Retrieved April 26, 2023, from <http://ojs.stan-im.ac.id/index.php/JSMA/article/view/120>
- Yulfani, A. (n.d.). Pengaruh kesadaran wajib pajak dan pengetahuan perpajakan terhadap kepatuhan membayar pajak bumi dan bangunan Desa Kaladawa Kecamatan Talang Kabupaten Tegal.